Demand and Supply of Gas Connections

107. PROF. M.M. AGARWAL: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the details of steps Government propose to take to ensure smooth supply of LPG with correct weight in the country; and

(b) the extent of demand and the supply of gas connections in the country during the last three years, State-wise?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRIMANI SHANKAR AIYAR): (a) Public Sector Oil Marketing Companies (OMCs) have the requisite infrastructure to make adequate supply of Liquefied Petroleum Gas (LPG) to their registered customers throughout the country. Further, the following measures are being taken to prevent the supply of under-weight cylinders to customers:

(i) LPG (Regulation of Supply and Distribution) Order, 2000 under the Essential Commodities Act, 1955 has been promulgated. As per this Order, supply of partially used cylinders to LPG consumers by the distributors of OMCs as well as Parallel Marketeers has been prohibited. Such offence is punishable with imprisonment from 3 months to 7 years under the Essential Commodities Act.

(ii) State Governments are empowered to take action against erring distributors under the provisions of the above Order.

(iii) Marketing Discipline Guidelines (MDG) for LPG distributors of OMCs have been laid down by the Government in April, 2001. According to these guidelines, in case of establishment of any complaint of supply of partially used cylinders to customers, a fine of Rs. 20,000 plus the price of LPG pilfered/supplied short at commercial rate for 1st offence, Rs. 50,000 plus the price of LPG pilfered/supplied short at commercial rate for 2nd offence, and termination for 3rd offence by the distributor is imposed.

(iv) LPG distributors of OMCs are under strict instructions to supply the cylinders of right quantity and quality of their customers. The officials of OMCs carry out random checks at distributor's godown, delivery point as well as enroute to ensure that no pilferage takes place. On the establishment of any complaint of supply of partially used cylinder to customers, action against the erring distributor is taken in terms of MDG/ or distributorship Agreement.

(v) OMCs have introduced heat shrinkable preformed Polyvinyl

Chloride (PVC) seals as a tamper evident sealing system for LPG cylinders with a view to supply correct weight gas to the consumers. PVC seals are difficult to duplicate, shrink at high temperature and require special technical expertise to manufacture.

(b) LPG connections are available on demand througho it the country. The details of LPG connections released by OMCs during the last three years is given in the Statement.

Statement

Details of LPG Connections released by OMCs during the last three years

(Figure in Lakhs)

STATE	2001-02	2002-03	2003-04
ANDHRAPRADESH	10.31	9.29	11.59
ARUNACHAL PRADESH	0.07	0.07	0.06
ASSAM	1.16	1.24	0.93
BIHAR	1.96	1.99	2.22
CHHATTISGARH	0.71	0.77	1.10
DELHI	1.11	1.47	1.61
GOA	0.16	0.20	0.20
GUJARAT	2.21	2.65	3.33
HARYANA	2.20	2.34	2.42
HIMACHALPRADESH	0.55	0.70	0.81
JAMMU & KASHMIR	1.14	1.14	1.17
JHARKHAND	0.57	0.74	0.93
KARNATAKA	3.84	4.05	5.37
KERALA	2.59	3.41	4.99
MADHYA PRADESH	2.25	2.58	3.32
MAHARASHTRA	7.81	9.40	10.42
MANIPUR	0.14	0.14	0.10
MEGHALAYA	0.06	0.07	0.05
MIZORAM	0.08	0.08	0.07
NAGALAND	0.12	0.12	0.08
ORISSA	0.91	1.38	1.26
PUNJAB	3.82	3.76	3.92
RAJASTHAN	2.35	2.80	3.61
SIKKIM	0.07	0.13	0.10
TAMIL NADU	5.56	4.83	5.81
TRIPURA	0.15	0.18	0.13
UTTAR PRADESH	5.74	7.05	7.29
UTTARANCHAL	0.57	1.12	1.05
WESTBENGAL	2.31	3.06	3.76
TOTAL :	60.52	66.77	77.69

STATE	2001-02	2002-03	2003-04
UNION TERRITORIES			
ANDAMAN & NICOBAR	0.02	0.04	0.06
CHANDIGARH	0.09	0.12	0.13
DADRA& NAGAR HAVELI	0.01	0.02	0.03
DAMAN &DIU	0.01	0.02	0.01
LAKSHADWEEP	0.00	0.00	0.00
PONDICHERRY	0.10	0.14	0.15
TOTAL :	0.23	0.33	0.38
ALL INDIA :	60.75	67.11	78.07

Losses suffered by oil companies

108. SHRIMATI S.G INDIRA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Government will have to formulate a fresh pricing mechanism for the national oil companies in the face of world oil prices rising to US Dollar 55 a barrel in October last year;

(b) whether it is also a fact that the price hike effected by Government did not fully compensate the oil companies for the impact of extremely high global prices; and

(c) whether it is a fact that the under recoveries to be borne by the oil companies would shoot-up further, if the prices are not revised?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRIMANI SHANKAR AIYAR): (a) to (c) The year 2004-05 witnessed unprecedented high oil prices in the international markets. As compared to the average Indian basket crude price of US$ 27.98/barrel during 2003-04, the average price during 2004-05 (April 2004-January 2005) has been US$37.87/barrel. With a view to containing the burden of increase in international prices on cunsumers of PDS kerosene, domestic LPG, diesel and petrol, it was decided that the burden should be equitably shared by the Government and Oil Companies. Thus, the Government reduced excise duty on petrol, diesel and domestic LPG by 4%, 3% and 8% respectively effective 16/6/04. Further, effective 19/8/04, the excise duty on petrol, diesel and PDS Kerosene was reduced by 3%, 3% and 4% respectively. The Government also reduced customs duty by 5% each on petrol, diesel, PDS Kerosene and Domestic LPG with effect from 19/8/04. As regards burden sharing by Oil Marketing Companies (OMCs), they did not pass